

SUBJECT: California State Teachers' Retirement System
Report to Management and Annual Communications
for the year ended June 30, 2002

ITEM NUMBER: 6
ATTACHMENT(S): 1

ACTION: X DATE OF MEETING: November 7, 2002

INFORMATION: PRESENTER(S): Way Lee/PricewaterhouseCoopers LLP

The external auditors, PricewaterhouseCoopers LLP, made three recommendations designed to help the System improve its internal control and operation. CalSTRS management's response to each recommendation is included within the Management Report for FY 2001-2002. The report also includes management's response to address the current year disposition of prior year comments. Overall, CalSTRS management agrees with the recommendations made by PricewaterhouseCoopers LLP.

Staff recommends that the Budgets and Audits Committee adopt the resolution, provided at Attachment 1, approving the Management Report for FY 2001-2002.

PROPOSED
RESOLUTION
OF THE
TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

Subject: External Auditors' Report to Management
For the Year Ended June 30, 2002

Resolution No. _____

WHEREAS, the Teachers' Retirement Board is required by law to have an annual audit of the California State Teachers' Retirement System's (System) financial statements by a certified public accountant or public accountant; and

WHEREAS, the Board, in compliance with the law, engaged the accounting firm of PricewaterhouseCoopers LLP to audit the System's financial statements for the fiscal year 2001-2002; and

WHEREAS, the accounting firm of PricewaterhouseCoopers LLP has issued its Report to Management and Annual Communications for the year ended June 30, 2002 in connection with their audit of the System for the fiscal year ended June 30, 2002; therefore be it

RESOLVED, that the Board approve and adopt the Report to Management and Annual Communications for the year ended June 30, 2002, as submitted by PricewaterhouseCoopers LLP.

Decision of the:
Budgets and Audits Committee

Ratified by the:
Teachers' Retirement Board

November 7, 2002

Jack Ehnes
Chief Executive Officer